

Committee on the Budget

Jim Nussle, Chairman

United States House of Representatives

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Daschle's Latest Punch Line: Dems are the Party of Fiscal Discipline

House Budget Committee Chairman Jim Nussle made the following statement about Senate Majority Leader Tom Daschle's economic speech today:

Senate Majority Leader Tom Daschle tried in vain today to claim the mantle of fiscal discipline for his party, saying Democrats want a return to fiscal responsibility.

Sen. Daschle and his party's single-minded idea of fiscal discipline seems to be that last summer's tax cut was fiscally irresponsible and is the biggest reason for the diminished surplus, so the fiscally responsible thing to do is to raise taxes by repealing the tax cut.

The truth is that the soft economy and the necessary response to the terrorist attacks far exceed the affect of the tax cut on the surplus. Sen. Daschle is grasping at straws to justify repealing the tax cut in order to score political points.

The most fiscally *irresponsible* thing to do during a recession is to talk about raising taxes. Taking money out of the pockets of American consumers *will never* grow the economy. The markets recognize this basic economic fact and it makes them nervous when government leaders start talking about taking money from consumers during a recession.

The best way to promote long-term economic growth is through a fair tax code that puts the least possible burden on taxpayers. That's why Republicans supported President Bush's tax relief plan which gave relief to every single taxpayer. The best way to improve our *fiscal* outlook is to strengthen our *economic* outlook.

Daschle claims the era of fiscal discipline started in 1993 at a time when Democrats increased spending, raised taxes, and projected deficits as far as the eye could see. During the 40 years Democrats controlled Congress, they never even dreamed of balancing the budget, paying down the debt, restraining spending, or giving Americans tax relief.

The era of fiscal discipline actually began in 1995 with the Republican-led Congress. It was Republicans who wrote five straight balanced budgets, created surpluses, retired ½ trillion dollars in debt, held the line on spending, and gave taxpayers significant relief. We did all of this even with Daschle's Democrats fighting us at every turn.

Today Sen. Daschle reinforced what history already proves: the idea of Democrats as the party of fiscal responsibility is laughable.